

Dear Colleague:

I am pleased to announce the Ocean Freight Reimbursement ( OFR) Program for Fiscal Year (FY) 1998. Registered U.S. private and voluntary organizations ( PVOs) are welcome to apply for reimbursement for the costs of their ocean freight commodity shipments from the U.S. Agency for International Development. Applications will be accepted by this office no later than

**5:00 P.M. EST, November 3, 1997.**

All PVOs seeking funding under this Program in FY 1998 should give careful attention to the enclosed application guidelines which describe the purpose, scope and selection process for the Program, and which provide specific instructions on application format. **There will be a separate OFR program to transport goods to the New Independent States ( NIS). PVOs will be required to submit a separate Request For Application for those activities in the NIS countries and another application for the worldwide program, EXCLUDING NIS countries.** Registered U.S. PVOs are eligible to apply for both programs. Adherence to the guidelines will form the basis of the selection review process by the Office of Private and Voluntary Cooperation (PVC). The OFR guidelines will be discussed in detail at the PVO/PVC Partnership RFA Workshop on September 15 - 16, 1997 at the Holiday Inn, Alexandria, VA. Please call (703) 741-0560 for workshop information.

Applicants should note that the competition for OFR dollars is keen. The number of PVOs eligible to compete for OFR continues to increase each year while the funding level remains constant. Total funding for FY 1997 was \$2.8 million and \$3.5 million each for the worldwide and NIS programs respectively. It is our intention to limit **OFR awards in FY 1998 to a maximum of \$150,000 for the worldwide program and to \$300,000 for the NIS programs.** We believe these established limits will enable more PVOs an opportunity to participate in the OFR program. We encourage PVOs who have not previously benefitted from this Program to apply. Given the high level of competition expected, we urge all prospective applicants to respond to the proposal guidelines as completely and thoroughly as possible.

We look forward to receiving many fine applications this year and appreciate the opportunity to collaborate with you as a partner in overseas development. Should you have any questions, please call Kevin C. Rafferty at (703) 351-0208.

Sincerely,

John P. Grant, Director  
Private and Voluntary Cooperation  
Bureau for Humanitarian Response

Enclosures:

1. OFR Guidelines
2. USAID Eligible Country List
3. OFR Application
4. Consignee Affidavit Sample
5. Country Summary List

BUREAU FOR HUMANITARIAN RESPONSE  
OFFICE OF PRIVATE AND VOLUNTARY COOPERATION

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**Guidelines**

**Fiscal Year 1998 Ocean Freight Reimbursement Program**

**A. BACKGROUND: OVERVIEW OF BHR/PVC'S STRATEGIC PLAN**

**STRATEGY OVERVIEW OF THE OFFICE OF PRIVATE AND VOLUNTARY COOPERATION**

USAID's Office of Private and Voluntary Cooperation ( BHR/PVC) is the focal point for the Agency's partnership with U.S. Private Voluntary Organizations ( PVOs) and Cooperative Development Organizations ( CDOs). BHR/PVC's competitive grants programs provide direct support to the U.S. PVOs and their local partners to address critical needs in developing countries and emerging democracies. These programs include : Matching Grants, Child Survival Grants, Cooperative Development grants, the Farmer-to-Farmer Program, the Development Education Program, and Ocean Freight Reimbursement. BHR/PVC is responsible for registering U.S. PVOs for the Agency, and is a central contact point in USAID for information on PVO capabilities and programs. The Office is also a key participant in the development of Agency policies and procedures that affect these U.S. organizations.

Each USAID operating unit is guided by its own Strategic Plan that in turn contributes to the Agency's Sustainable Development Goals. BHR/PVC's Strategic Plan outlines its program directions and provides a framework for all the grant programs funded and administered by the Office. It articulates the specific objectives, strategic approaches and performance measures that will guide the Office's work through the year 2002. PVC's Strategic Plan was developed through a collaborative consultation process involving all PVC staff members, selected representatives from other USAID offices, and many of PVC's partners in the PVO community.

PVC's Strategic Objective (SO) is to "increase the capability of PVC's PVO partners to achieve sustainable service delivery." This SO builds upon PVC's expertise and historical experience working with U.S. PVOs and CDOs, and reflects its primary mission of strengthening the technical and managerial capacity of these partners to successfully contribute to international development. PVC is uniquely positioned within USAID to build institutional capacity. Over the years, PVC's grants have helped many organizations strengthen their institutional capacities and improve their ability to implement operational programs that USAID and other donors' support.

PVC's SO promotes three distinct elements -- capacity-building, service delivery, and sustainability -- all of which are critical for ensuring the significant impact of the work of PVOs on international development problems. The SO reflects PVC's commitment that improvement in capability will result in tangible improvements in services to people in developing

countries and that the benefits of the PVO programs will be sustained over the long term.

Achievement of PVC's SO will lead to its goal of achieving sustainable development in priority sectors in which USAID is focusing its efforts: Economic Growth; Population and Human Health; Environment; Democracy; Basic Education and Training; and Crisis Avoidance, Mitigation and Relief. PVC's Strategic Plan recognizes that the capacity of PVOs to partner effectively with local organizations will achieve another important outcome : NGO and other local partners strengthened. The Office has incorporated this critical, complementary objective in its plan as a Sub-Goal.

As the objectives of PVC's Strategic Plan indicate, the Office views capacity building within the institutions it supports, not as an end in itself, but as a means of ensuring that its grant programs result in goods and services provided on a sustainable basis to the people of the countries that USAID assists. The wording of its SO emphasizes the "achievement of sustainable service delivery." This reflects the fact that some of PVC's partners still deliver goods and services directly, while others are instead focusing their efforts on the development of strong local capacity for providing these services. Both types of programs contribute to the achievement of PVC's Strategic Objective.

To achieve its Strategic Objective, PVC has identified five Intermediate Results ( IRs) that cut across all of the grants programs supported by PVC:

- Operational and Technical Capacity of U.S. Improved**
- Strengthened Partnership between USAID and U.S. PVOs**
- Strengthened U.S. PVO and NGO Partnership**
- Improved Mobilization of Resources by PVC's PVO Partners**
- U.S. Public Awareness Raised**

Given the importance of these results to PVC's strategic plan, all applicants this year are asked to address the question of how their proposed program will contribute to PVC's Strategic Objective and these five intermediate results.

This year's program places special emphasis on strengthening partnerships between U.S. PVOs and local NGOs and other local groups, to build their capacity as effective development organizations. A second key area of emphasis is the adoption of creative approaches to resource mobilization and other strategies to promote long term financial sustainability. A third critical priority is a focus on achieving tangible and demonstrable results and effective performance monitoring.

PVC has selected a set of performance indicators to measure progress toward each of its key objectives (IRs and SO). The Office is in the process of collecting baseline data and establishing targets for each of the performance indicators. Progress toward PVC's targets are reported to the Agency on an annual basis.

Copies of PVC's Strategic Plan are available at this year's RFA Workshop and through the PVC office.

## B. Preparation and Submission of Application

1. All requests for Ocean Freight Reimbursement funding for FY 1998 must be made by completing the application form contained in Enclosure 3. Each question and response should be typed on one side of one page. Responses to Enclosure 3, questions 4A through 5C, should be limited to no more than 3 pages each, i.e. 4A - 3 pages, 4B - 3 pages, 4C - 3 pages, etc. **Please note:** submit one application for activities involving NIS countries only; and another application for the worldwide program, **EXCLUDING** NIS countries.

### **Contents of each Application (Worldwide and/or NIS only) must include:**

1. Cover Letter
  2. Organizational Chart
  3. One page summary of a success story of an OFR supported activity (prior grantees only)
  4. Body of Application (Enclosure 3)
  5. Annex 1 (Enclosure 4) - Consignee Affidavit for each country. This form names the person in the recipient country who will be responsible for receiving and distributing the supplies.
  6. Annex 2 - Duty-Free Status: Certification from the recipient government(s) that the applicant may import commodities duty-free.
2. New applicants must attach Annex 1 and Annex 2 for each country to which they are seeking authorization to ship. Current participants adding a new country to their approved-country list must attach Annex 1 and Annex 2 for each new country.
- 3 All applications (**original and 5 bound single-sided copies**) must be submitted under cover letter to the address below and received no later than **5:00 P.M. EST, November 3, 1997**. Applications should be sent to:

#### **By Mail :**

Ocean Freight Review Committee  
Agency for International Development  
BHR/PVC/IPS, Room 711, SA-08  
Washington, D.C. 20523-0804

#### **Courier/Federal Express:**

Ocean Freight Review Committee  
Agency for International Development  
BHR/PVC/IPS  
1515 Wilson Blvd., Room 711  
Arlington, VA 22209  
(703) 351-0208

## USAID CONTACT

Any subsequent questions concerning these guidelines or the grant program, in general, should be referred to Kevin C. Rafferty, Chair of the Ocean Freight Reimbursement Program Review Committee, telephone (703) 351-0208 or (703) 741-0563. Written inquiries may be directed to the above address.

## C. PROGRAM OBJECTIVES

The Ocean Freight Reimbursement ( OFR) Program is authorized under Section 123(b) of the Foreign Assistance Act. It states:

"In order to further the efficient use of United States voluntary contributions for development, relief and rehabilitation of friendly peoples, the President is authorized to use funds made available for the purpose of this chapter... to pay transportation charges on shipments by the American Red Cross and by United States voluntary agencies registered with the U.S. Agency for International Development."

Recipients of funds ship a wide variety of goods overseas for use in privately funded development and humanitarian assistance programs. **OFR funds may not, however, be utilized to ship religious or proselytizing materials, P.L. 480 food commodities or other commodities funded by the U.S. Government (USG) or supported by USG-funded programs.** Under no circumstances are any of these commodities to be sold or donated to third parties unless an exception has been approved. Recipients may ship only those commodities and only to those countries for which they have received prior approval from USAID. OFR recipients make all arrangements for transportation and are not subject to cargo preference. However, it is USAID policy to require at least 50 percent of OFR commodities to be shipped on U.S. flag vessels. For those commodities not shipped on U.S. flag vessels, freight charges may be reimbursed for vessels registered under the flag of any free world country, i.e. host country flag vessel(code 941), flag vessel of developing countries or any free flag (Code 935) vessel. OFR recipients must submit allowable charges and vouchers for reimbursement with copies of the bills of lading to:

U.S. Agency for International Development  
M/FM/CMP/CGLC, Room 703, SA-02  
Washington, DC 20523-0208

**OFR is a cost -sharing program.** The OFR Program reimburses PVOs for freight charges incurred and paid in transporting donated/purchased supplies from U.S. ports or, in the case of excess or surplus property supplied by the United States, from foreign ports to ports of entry in the recipient country. In the case of landlocked countries, OFR funds will pay for inland transportation (i.e., from point of entry to the final destination where the goods are received by the consignee). Recipients are required to absorb all the ancillary costs involved in making freight shipments overseas, such as packing, crating, warehousing, insurance, and inland transportation in the U.S. and in recipient countries that are not landlocked.

## D. Eligibility Criteria

Applicants must:

1. Be a U.S. PVO registered with USAID's Office of Private Voluntary Cooperation (PVC);
2. Be in compliance with current legislation governing the privateness test which requires PVOs to receive at least 20% of total annual financial support for international programs from non-U.S. government sources;
3. Submit Enclosure 4 as evidence that it has staff or consignees in -country to ensure proper pick-up and distribution of commodities (See Enclosure 4); and
4. Provide Duty-Free Status Certification with the application for each country to which commodities will be shipped.

## E. Amount of Awards

The number of PVO applicants to the OFR Program has steadily risen, while the availability of funds for the Program remains limited. The competition for these funds has further increased the importance of the Review Committee's selection process. **It is our intention to limit OFR awards in FY 1998 to a maximum of \$150,000 for the worldwide and \$300,000 for the NIS OFR programs, respectively.**

## F. Criteria for Selection

Proposals will be scored as follows:

1. prepare and submit **clear** and **complete** applications in accordance with the guidelines (25%);
2. show program potential for significant impact in supporting long -range development, and/or relief/humanitarian assistance activities (25%). Special consideration will be given to PVOs that ship OFR commodities to more than one country ;
3. show that the goods collected for distribution are goods identified and needed by the target communities (25%);
4. demonstrate that a strong system is in place for receiving and distributing the commodities (20%). Special consideration will be given to PVOs that have a minimum track record of two years shipping experience with the OFR worldwide program and expend prior year funding in a timely manner without excessive pipelines; and
5. show how the program activities will contribute to PVC's Strategic Objective and five Intermediate Results (5%).

## **G. Limitations**

**The OFR program cannot be used under the following circumstances:**

1. In countries not included on the Eligible Country Lists (Enclosure 2).
2. In countries where the PVO does not have staff or consignees to ensure proper pick -up and distribution of commodities.
3. Where the PVO charges the consumer a fee for the supplies or commodities proposed to be shipped under the OFR program. Exceptions may be considered in special cases, following notice to PVC and based on PVC approval, such as the sale to recipients at nominal cost or as payment for work performed to promote projects of self-help and economic development. However, in no case shall supplies be withheld from needy persons because of their inability to pay or to work .

## **H. Application Review Process**

All applications received through the formal submission process listed under B. Preparation and Submissions above will be reviewed by the BHR/PVC Ocean Freight Review Committee. Selection will be based on meeting criteria set forth in Section D. Eligibility Criteria, and scored against Section F. Criteria for Selection.

It is anticipated that applicants will be notified in April or May 1998 of the results of the Committee's review in writing.



Enclosure 3

**OCEAN FREIGHT REIMBURSEMENT PROGRAM APPLICATION  
FY 1998**

1. PVO's Name and Address:

2. Contact for this Application (Name, Title and Telephone):

3. Describe your experience over the past two years in the area of commodity shipments. (If additional space is needed, another page may be inserted as page 1a).

1997

| Program     | Commodity | U.S.\$ | Ancillary*    | Ocean Freight | Total |
|-------------|-----------|--------|---------------|---------------|-------|
| Description | Shipped   | Value  | Costs + Costs | = Costs       |       |

1996

| Program     | Commodity | U.S.\$ | Ancillary*    | Ocean Freight | Total |
|-------------|-----------|--------|---------------|---------------|-------|
| Description | Shipped   | Value  | Costs + Costs | = Costs       |       |

\*Includes: packing/crating; warehousing; insurance ; inland transportation (U.S. and recipient country inland costs). **These ancillary costs are not allowable under the OFR program except inland transportation for landlocked countries).**

Country/Countries \_\_\_\_\_

\_\_\_\_\_

Title of Program(s) \_\_\_\_\_

\_\_\_\_\_

Note: Please see special instructions on Page 4 before responding to 4 A through C below.

4. (A) Respond to the following:

(1) Describe the program.

(2) What are the goal(s) of your program(s) which receive(s) commodities transported with OFR funds?

(3) How does this OFR program supported with OFR funds enhance relief/humanitarian assistance, and/or long-range development?

(4) What is your organization's history in the targeted country?

(5) Describe how your proposed local partner(s) i.e. U.S PVOs, NGOs, or other international organizations) was consulted during proposal preparation, their contribution to the implementation of the program(s) and how your program(s) strengthen their capability.

(6) Describe how your proposed program will contribute to PVC's Strategic Objective and five Intermediate Results as outlined in Section A of the Ocean Freight Reimbursement Guidelines (Enclosure I).

(B) Needs Assessment/Beneficiaries:

(1) Who are the beneficiaries?

(2) Estimate the number of beneficiaries assisted by this program (disaggregate by gender).

(3) What benefits are derived from the distribution of the goods to the target population?

(4) Describe how your organization determines the needs of the target population (including disaster victims if you are responding to an emergency situation).

(C) Commodities:

Provide a description of all the items to be shipped under the categories listed below:

Agricultural supplies/equipment; Clothing/blankets; Disaster items (tents, etc.); Educational supplies/equipment; Medical supplies/equipment; Non-P.L. 480 food; Vehicles; Other.

Indicate the commodities that are donated to your organization and those purchased by your organization.

Special Instructions for Question 4:

The OFR Review Committee needs to understand the program(s) in the country(ies) that receive shipped commodities from your organization. Your proposal is the basis of that understanding; it is thoroughly reviewed and evaluated based on the criteria listed on page 5 of the guidelines. The following instructions are given here to assist you in presenting a clear and complete description of your organization's field activities.

A. If your activities consist of basically the same program in a number of countries, list the countries and describe the program i.e., a) Guatemala, Honduras, Peru -- Medical Supplies; b) Lesotho, Niger, Malawi -- Educational Supplies, in question 4 A through C.

B. If your activities consist of a variety of programs in one country, name the country and answer 4 A through C for each program, i.e., Kenya: child/feeding program, agricultural extension/development program, relief work and refugee programs:

Kenya: Child/feeding project

4A.1

4A.2

4A.3

4A.4

4A.5

4B.1 etc.

Kenya: Well drilling project

4A.1 etc.

C. Give a general sampling using the categories listed of the types of commodities that support your country program in response to question C.

D. Organizations working in two or more countries must complete a summary sheet of the countries targeted for FY 1998, showing amount of FY 1998 OFR funds requested and the estimated value of those goods to be shipped (Enclosure 5).

**INSTRUCTION: PLEASE CLEARLY INDICATE YOUR RESPONSE TO QUESTION 4 A through C (i.e., 4A.1; 4A.2; 4A.3; 4A.4; 4B.1; 4B.2; etc.)**

5. Receiving and Distributing System:

(A) Do you have a physical presence in the country? If not, who is responsible for receiving and distributing the commodities? If applicable, briefly describe criteria for consignee selection.

(B) Describe the process for receiving and distributing the OFR supported commodities i.e., clearing customs, warehousing, transportation, and distribution of goods to final destination.

(C) How does your organization monitor the OFR shipment from shipping dock to the final distribution? Include those elements that apply to your organization - reporting requirements, physical inspection, inventory control, distribution schedule, on- site inspection, and beneficiaries' responses.

**6. THE FOLLOWING INFORMATION PERTAINS TO YOUR REQUEST FOR FY 1998 OFR FUNDS.**

A. List categories of supplies to be shipped under the OFR program in FY 1998:

|                              |      |
|------------------------------|------|
| Agricultural supplies        | ___% |
| Clothing/blankets            | ___% |
| Disaster items (tents, etc.) | ___% |
| Educational supplies         | ___% |
| Medical supplies             | ___% |
| Non-P.L. 480 food            | ___% |
| Vehicles                     | ___% |
| Other: _____                 | ___% |
| Total                        | 100% |

B. Commodities shipped under the OFR program in FY 1997, if applicable.

|   |          |
|---|----------|
| Total shipping costs                        | \$ _____ |
| Less ancillary costs                        | _____    |
| Amount received from OFR program in FY 1997 | _____    |

C. Estimated costs to ship commodities under the OFR program in FY 1998.

Total estimated shipping costs \$ \_\_\_\_\_

Less estimated ancillary costs \_\_\_\_\_

1998 OFR funds requested \_\_\_\_\_

D. Other than USAID, what alternative sources of funds support the ocean freight costs of your programs? How much is provided annually?

7. If you are currently participating in the OFR program, please complete the following:

A. The amount of OFR funds currently available for use from OFR awards in years prior to and including if applicable, FY 1997.

| <u>Procurement<br/>Authorization No.</u> | <u>Amount of<br/>Award</u> | <u>Amount<br/>Spent</u> | <u>Available<br/>Amount</u> |
|--|----------------------------|-------------------------|-----------------------------|
|--|----------------------------|-------------------------|-----------------------------|

B. Amount of those OFR funds to be expended by December 31, 1997 (if applicable).

Enclosure 4

**Consignment Affidavit**

\_\_\_\_\_, being duly sworn on his/her oath  
says he/she is \_\_\_\_\_ of \_\_\_\_\_ and that he/she makes this affidavit for and on behalf of  
said agency.

That the consignee listed herein is qualified to receive and to assume  
complete responsibility for the disposition of supplies shipped by  
\_\_\_\_\_, and that the supplies shipped to such consignee will be distributed on a  
non-commercial basis, free of cost to beneficiaries receiving such supplies.

The name and address of the consignee

\_\_\_\_\_ agrees to continue to supply the U.S. Agency for International Development  
with current information concerning those authorized to receive supplies; and in the event of  
the improper use, to remove such designated consignees from list furnished to the U.S.  
Agency for International Development.

\_\_\_\_\_  
Name  
Title

**SUBSCRIBED** and sworn to before me, a Notary Public, in and for  
\_\_\_\_\_, this \_\_\_\_ day of \_\_\_\_\_.

Enclosure 5

APPLICANT NAME: \_\_\_\_\_

FY 1998 OCEAN FREIGHT REIMBURSEMENT PROGRAM  
COUNTRY SUMMARY LIST

| <u>COUNTRY</u> | <u>\$ AMOUNT OF OCEAN<br/>FREIGHT FUNDS REQUESTED</u> | <u>ESTIMATED \$ VALUE OF<br/>GOODS TO BE SHIPPED</u> |
|----------------|---|--|
| _____          | _____   | _____  |
| _____          | _____   | _____  |
| _____          | _____   | _____  |
| _____          | _____   | _____  |
| _____          | _____   | _____  |
| _____          | _____   | _____  |
| _____          | _____   | _____  |
| _____          | _____   | _____  |
| _____          | _____   | _____  |
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| _____          | _____   | _____  |
| _____          | _____   | _____  |
| _____          | _____   | _____  |
| _____          | _____   | _____  |
| _____          | _____   | _____  |
| _____          | _____   | _____  |
| _____          | _____   | _____  |
| _____          | _____   | _____  |
| TOTAL          | _____   | _____  |



PREVIOUS RECIPIENTS OF OFR PROGRAM FUNDS ARE TO ASTERISK THE COUNTRIES THAT ARE NEW TO THE OFR PROGRAM IN FY 1998. **PLEASE NOTE** THE INFORMATION CALLED FOR IN THE COUNTRY SUMMARY LIST IS AN ESTIMATED PROJECTION OF THE TARGET COUNTRIES AND THE COMMODITIES TO BE SHIPPED IN FY 1998.

Clearance:

BHR/PVC/IPS:LWatlington\_\_\_\_\_Date\_\_\_\_\_  
DD/BHR/PVC:ALiskov\_\_\_\_\_Date\_\_\_\_\_  
D/BHR/PVC:JGrant\_\_\_\_\_Date\_\_\_\_\_  
BHR/PVC/PPE:JDempsey\_\_\_\_\_Date\_\_\_\_\_  
GC/BHR:JMiller\_\_\_\_\_Date\_\_\_\_\_

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